

7 September 1976

MEMORANDUM FOR: D/DCI/NI

SUBJECT : The Intelligence Community Planning System

1. The receipt, within a few hours of one another, of the IC Staff's memo to NFIB on Planning and of the latest issue of the Harvard Business Review has stimulated me to relieve myself of a number of opinions about planning in the Community. A believer in the usefulness of realistic planning, I can only confess frustration over what is being done. I give you my comments for whatever use you may wish to make of them.

2. The IC Staff's planning system breaks down into three parts. The first is the short-range element, which encompasses the KIJs and National Intelligence Objectives. This element is intended to guide program managers in the use of their resources in the next fiscal year, guidance which is clearly called for. Indeed, this element is, in my opinion, sound; we will have National Intelligence Objectives on managerial issues and KIJs on the really important substantive issues.

3. My problems with the short-range element come down to two, and they concern the way in which the objectives and KIJs will be arrived at. "In a large company with a relatively diversified group of businesses," sayeth the Harvard Business Review, "'capacity limitations' at the corporate level dictate a more or less bottom-up approach." Amen, say I, and I cannot conceive that managers in the Community will pay much attention to objectives set by the IC Staff-- unless these objectives encompass something program managers want to do anyway. And so it may well be with the KIJs, even with our new approach. The point is, of course, that, when you are instituting what in private industry is called a strategic planning system, you should spend the first several years finding out what it is your line managers want to accomplish, coordinating what they want to do while learning where the assets and handles are.

4. My second hesitation, which is the other side of the coin displayed above, stems from the warning that: "Strategic planning is a line management function; a sure route to disaster is to have

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